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# Message Text

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ORIGIN OPIC-06

INFO OCT-01 AF-10 ISO-00 H-02 AID-05 CIAE-00 COME-00 EB-07

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FM SECSTATE WASHDC
TO AMEMBASSY ACCRA PRIORITY

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E.O. 11652: N/A
TAGS: EINV GH
SUBJ: OPIC DEVELOPMENT AWARD

REF: ACCRA 6828

1. OPIC DEVELOPMENT AWARD FOR VALCO PROJECT TO BE PRESENTED BY DANIEL PARKER, AID ADMINISTRATOR AND OPIC BOARD CHAIRMAN. ACCORDINGLY, NEW PRESENTATION PLATE BEING SENT TO EMBASSY VIA POUCH TODAY WITH INSTRUCTIONS ON HOW TO REPLACE SAME.

2. ACCEPTING AWARD FOR KAISER HERE IS JAMES G. CHURCHILL, TREASURER FOR INTERNATIONAL OPERATIONS. ACCEPTING DUPLICATE AWARD FOR DISPLAY IN

GHANA IS AMBASSADOR SAMUEL E. QUARM. ALSO EXPECTED TO BE PRESENT ARE CALIFORNIA SENATORS JOHN V. TUNNEY AND ALAN CRANSTON; CONGRESSMAN RONALD V. DELLUMS IN WHOSE DISTRICT IN CALIFORNIA KAISER HEADQUARTERS IS LOCATED; SENATORS JACOB K. JAVITS (N.Y.), GALE W. MCGEE (WYO.), JOHN V. SPARKMAN (ALA.), ALL ON SENATE FOREIGN RELATIONS

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COMMITTEE; ANC CONGRESSMAN CHARLES C. DIGGS (MICH.) CHAIRMAN OF

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AFRICAN SUBCOMMITTEE OF HOUSE FOREIGN AFFAIRS COMMITTEE.

3. SINCE DUPLICATE AWARD FOR GHANA ALREADY IN ACCRA, OPIC SUGGESTS IT BE TRANSMITTED BY AMBASSADOR TO LT. COL. R.J. FELLI, COMMISSIONER FOR ECONOMIC PLANNING. EMBASSY MAY WISH MAKE ARRANGEMENTS FOR NEWS COVERAGE AND PHOTOS OF DELIVERY. REQUEST DATE OF PROPOSED TRANSMITTAL IN GHANA WHEN SCHEDULED.

4. SUGGEST IF IT IS TRANSMITTED TO GHANAIAN GOVERNMENT BEFORE DEC 19, WARD B. SAUNDERS, VICE PRESIDENT OF KAISER AND MANAGING DIRECTOR OF VALCO BE INVITED. HE IS NOW IN TEMA FLATS AND WILL BE THERE UNTIL DATE.

5. CITATION TO BE READ BY PARKER AS FOLLOWS:

6. "TRADITIONALLY, UNITED STATES FOREIGN POLICY HAS SOUGHT TO ENCOURAGE SOCIAL AND ECONOMIC PROGRESS IN NATIONS WHICH HAVE ACHIEVED POLITICAL INDEPENDENCE, BUT WHICH LACK THE CAPITAL AND TECHNOLOGICAL CAPABILITIES REQUIRED FOR ACCELERATED DEVELOPMENT. COOPERATION IN ECONOMIC DEVELOPMENT TAKES MANY FORMS, BUT THE MOST LASTING BENEFITS USUALLY FLOW FROM CREATIVE INVESTMENT PROJECT WHICH PROVIDE OPPORTUNITIES FOR THE PEOPLE OF DEVELOPING NATIONS TO HELP THEMSELVES BY BUILDING THEIR CAPACITY TO PRODUCE, TO EARN, AND THUS TO ENJOY A BETTER LIFE.

7. FOR THE FOREIGN INVESTOR IN DEVELOPMENT PROJECTS THE REWARD ALSO IS GREAT -- NOT ONLY IN ECONOMIC RETURN, BUT ALSO IN A SENSE OF SATIS-

FACTION IN HAVING CONTRIBUTED TO HUMAN PROGRESS.

8. TO ENCOURAGE U.S. PRIVATE INVESTMENT ACTIVITIES THAT YIELD THESE MUTUAL BENEFITS IS THE PURPOSE OF THE OVERSEAS PRIVATE INVESTMENT CORPORATION. OPIC, A U.S. GOVERNMENT AGENCY, INSURES AND ASSISTS IN THE FINANCING OF PRIVATE INVESTMENT IN SOME 80 DEVELOPING NATIONS.

9. THE OPIC DEVELOPMENT AWARD WAS CREATED TO RECOGNIZE OUTSTANDING EXAMPLES OF MAJOR CONTRIBUTIONS BY U.S. INVESTORS TO THE PEOPLE OF DEVELOPING COUNTRIES.

10. MANY PROJECTS MERITED CONSIDERATION FOR THIS FIRST AWARD. THE UNCLASSIFIED

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FINAL DECISION FAVORED THE KAISER ALUMINUM & CHEMICAL CORPORATION'S PERFORMANCE IN DEVELOPING AND OPERATING THE VOLTA ALUMINIUM COMPANY, LIMITED (VALCO), IN TEMA, GHANA. KAISER ALUMINUM IS A 90 PERCENT OWNER AND MANGES THE VALCO PROJECT, AND REYNOLDS METALS CO. OWNS THE REMAINING 10 PERCENT.

11. VALCO, IN PRODUCING 170,000 TONS OF ALUMINUM ANNUALLY, PROVIDES JOBS AND TRAINING FOR MORE THAN 2,000 GHANAIANS. THE SMELTER'S

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DEMAND FOR ELECTRIC POWER HAS MADE FEASIBLE THE FINANCING AND OPERATION

OF A MAJOR HYDROELECTRIC PLANT ON THE VOLTA RIVER, THEREBY ASSURING LOW-COST ELECTRICITY TO GHANA'S INDUSTRIES, INSTITUTIONS AND HOMES. VALCO'S EMPLOYEES AND THEIR FAMILIES ENJOY SUCH ADDITIONAL SERVICES AS

A HOSPITAL UNDER A FULL-TIME MEDICAL DIRECTOR AT THE PROJECT SITE. VALCO ALSO PROVIDES MEDICAL CARE TL APPROXIMATELY 8,000 DEPENDENTS OF VALCO EMPLOYEES THROUGH ARRANGEMENTS WITH A PRIVATE HOSPITAL IN TEMA.

12. VALCO HAS INSTITUTED AN EXCEPTIONAL PUBLIC SERVICE PROGRAM WHICH REACHES BEYOND THE CIRCLE OF EMPLOYEES OUT INTO THE ENTIRE NATION. EXAMPLES OF ITS COMMUNITY SERVICE INCLUDE A MAJOR CONTRIBUTION TO THE REBUILDING OF THE TEMA SPORTS STADIUM, DONATION OF THE FIRST ARTIFICIAL KIDMEY MACHINE IN WEST AFRICA TO GHANA MEDICAL SERVICES, AND ARRANGEMENT FOR THE TRAINING OF PERSONNEL TO OPERATE IT.

13. IN 1971 THE COMPANY ESTABLISHED THE VALCO FUND WITH A CORPORATE CONTRIBUTION OF $300,000 TO FOSTER THE ADVANCEMENT OF EDUCATION AND SCIENCE IN GHANA. EACH YEAR, IT MAKES A MINIMUM CONTRIBUTION OF $200,000 AND WILL INCREASE THE AMOUNT IF COMPANY EARNINGS ARE STRONG. RESPONSIBILITY FOR MANAGEMENT OF THE FUND IS VESTED IN THE MANAGING TRUSTEES, A GROUP OF LEADING GHANAIANS, INDEPENDENT OF THE COMPANY. GRANTS FROM THE FUND HAVE GONE TO HOUSING FOR A GROUP HELPING CRIPPLED CHILDREN, X-RAY EQUIPMENT FOR A HOSPITAL, FUNDS FOR MEDICAL RESEARCH AND SUPPORT FOR VARIOUS SCHOOLS AND INSTITUTIONS.

14. IN A WORLD WHERE PUBLIC OPINION ON INTERNATIONAL INVESTMENT HAS BEEN DISTORTED BY LIMITED INFORMATION, THE CONSTRUCTIVE ROLE OF PRIVATE FOREIGN ENTERPRISE AS EXEMPLIFIED BY THIS PROJECT DESERVES WIDE RECOGNITION. OPIC IS PROUD TO BE ASSOCIATED WITH THIS INVEST-
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MENT, AND PLEASED TO HONOR THE KAISER ALUMINUM & CHEMICAL CORPORATION WITH THE FIRST OPIC DEVELOPMENT AWARD.

15. FIVE COPIES OF ACTUAL CITATION TO BE FORWARDED YOU AIR POUCH WEDNESDAY, DECEMBER 11. ONE SHOULD STAY WITH AWARD SO MEANING OF PRESENTATION CAN BE READ BY THOSE WHO VIEW SAME. INGERSOLL

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